



CITY OF SEAT PLEASANT, MARYLAND REQUEST FOR PROPOSALS FOR EXTERNAL AUDIT SERVICES

SECTION ONE – INSTRUCTIONS FOR PROPOSERS

Request for Proposal Summary

1. The City of Seat Pleasant, Maryland (“City”) is soliciting proposals from qualified entities to provide external auditing services as described in Section Two. The City desires services which represent the best combination of price and quality.
2. Schedule:

April 6, 2012 Release of Request for Proposal

May 1, 2012 Questions and inquiries must be made by 5:00 p.m. Inquiries will be compiled and provided to all interested parties, if requested and contact information provided by 5:00 p.m. on May 1, 2012.

May 4, 2012 written proposals shall be received at:
City of Seat Pleasant, Maryland
Attn: Proposal for External Audit Services
6301 Addison Road
Seat Pleasant MD 20743-2125

By 5:00 p.m. EDT on this date in order to be considered.
3. May 23, 2012 Tentative date for Interviews
4. Work Period September 17, 2012 – October 17, 2012
5. The proposer shall submit four (4) copies of the proposal.

General Instructions

1. Inquiries – Questions about the City of Seat Pleasant or this RFP should be directed to: Robert L. Ashton, City Treasurer at kyrthlyn.rhoda@seatpleasantmd.gov or (301) 336-2600.
2. Signature Requirements – The proposal must be signed by a duly authorized official of the applicant organization.

3. Proposal Submission – the City will not consider any proposal received after the time and date specified above in the “Schedule of Proposal.” The envelope containing the proposal must be clearly marked as “**Proposal for External Audit Services.**”
4. Proposal Revisions – Should it be necessary to revise any part of this RFP or if additional information is necessary to enable proposer to make an adequate interpretation of provisions of this RFP, a supplemental RFP will be provided to each applicant organization that has requested a copy of this RFP.
5. Cost of Proposal Preparation – No reimbursement will be made by the City of any costs incurred for the proposal preparation or presentation.
6. Reserved Rights:
 - a. The City reserves the right to reject any and all offers and proposals and reselect or cancel this procurement if such action is deemed in the best interests of the City.
 - b. The City is not required to select the lowest priced proposal, but will take into consideration services which represent the best combination of price and quality.

All proposers are hereby notified that the execution of a contract pursuant to this RFP is dependent upon approval by the Seat Pleasant City Council and the negotiation of a mutually acceptable contract with the selected proposer.

7. Execution of Agreement – If the proposer selected does not execute an agreement within ten (10) days after notification of selection, the City may cancel that selection and give notice to the proposer of the City’s intent to select the next most qualified proposer or call for a new proposal, whichever the City deems appropriate.
8. Subcontractor(s) – Any planned or proposed use of a subcontractor must be clearly documented in the proposal. The prime contractor will be completely responsible for all contract services.
9. Prohibited Interest – No member of the City government may have a direct interest in the gains or profits from a contract resulting from this RFP.

SECTION TWO – SCOPE OF SERVICES

Introduction:

The City of Seat Pleasant is a municipality located in Prince George’s County, Maryland. City operations are governed by a Charter and Code of Ordinances and other personnel rules and regulations, in addition to federal and Maryland state statutes and regulations. The City has a Mayor who is the ceremonial head of government, seven (7) Councilmembers in whom all legislative powers are vested and a City Administrator who manages the day-to-day operations

of the City. The City's budget has been approximately \$3.9 million for the fiscal years 2011 and 2012.

Services to be provided:

The selected respondent will be required to complete the following tasks and to provide appropriate documentation of findings and recommendations for the fiscal periods July 1, 2011 to June 30, 2012:

1. Ensure that significant financial, managerial, and operating information is accurate, reliable, and timely.
2. Ensure that employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
3. Ensure that all revenues and expenses are in accordance with the City's policies and procedures.
4. Check the City's personnel records and salary payments against work performed.
5. Check the validity, authenticity and necessity of the City's expenses and payments.
6. Check the City's existing policies and procedures.

Reporting Levels and Deliverables

- a. The auditor shall report directly to the City Treasurer.
- b. Prepare audit reports for review by the City Council.

SECTION THREE – CONTENTS OF RESPONSE

Response Content

The provider response shall include:

1. A brief statement that the proposer understands the City's request.
2. Proposer's qualifications and experience in providing requested services.
3. Professional qualifications of person(s) who will actually be performing the audit work.
4. Projected fee.

5. Name, address and taxpayer identification number of entity that will be billing for services.

External Forensic Auditor Qualification Requirements

All proposers must meet the following qualifications:

- Standards for the Professional Practices of External Auditing;
- Generally accepted governmental auditing standards;
- Certified Internal Auditor Code of Professional Ethics;
- Statement of Responsibilities of External Auditing.

SECTION FOUR – EVALUATION CRITERIA

1. Proposer's experience in providing similar services for government entities.
2. Reasonableness of the fee estimate.
3. Respondents' proposals will serve as the primary basis for selecting an entity to provide the required services.

Time Requirements

- Proposals will be delivered to the City of Seat Pleasant at 6301 Addison Road, Seat Pleasant, and MD 20743 no later than 5:00 p.m. on May 4, 2012
- If presentations of possible finalists are necessary, no one with personal bias will interview proposers.
- Once a contract has been signed work may begin immediately to generate the audit in a progress manner with costs to be billed to the City of Seat Pleasant as the charges generated by the proposer in accordance with the original agreement.
- Primary work to close accounts can begin immediately.
- The preliminary report and exit conference will be completed prior to October 26, 2012

Copies Required

- Audit Report 20 copies
- Management Letter 2 copies
- Working Papers

Requirements

The audit must be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organization; the State Single Audit implementation Act, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with the GAAP.

The auditor will prepare most year-end adjusting journal entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statements, supplementary information and compliance reports. The City's Treasurer will be actively involved in the management discussion and analysis and other schedules section preparation. The auditor will submit a draft of the Financial Statements to be reviewed in detail by the City's Treasurer. This draft should be submitted to the City in time to allow ample review and corrections. **The timing of this should insure final completion of the Financial Statements no later than the annual November 1 deadline**

The City prefers interim fieldwork be completed in early August, Year-end fieldwork should begin in mid September and be completed by October 19th. **An agreement upon post-closing trail balance must exist by October 30th.** The City Treasurer will expect a listing of requested information needed for the audit at the preplanning conference with periodic conferences, during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

A preliminary draft of the audit and required journal entries must be submitted to the Treasurer by October 26th for proofing and reconciliation to the City's records.

The audit must be completed and reports rendered four months following the fiscal year end. (June 30th).

Twenty copies of each audit report, two copies of management letter, and other applicable reports must be supplied to the Treasurer within the time frame cited above. In addition, the auditor is responsible for submitting the required two copies to the staff of the Maryland Legislative Auditors.

The financial audit opinion will cover the financial statement for the government activities the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be

given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional cost will be negotiated prior to commencement of the work and an amended contract will be approved by the City Administrator and the City Treasurer.

Audit Contract and Payment of Audit Fees

The audit contract must be approved by the City Administrator and City Treasurer. Invoices are subject to approval by the City Administrator, prior to processing by the City. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the City Treasurer and their approval of the audited financial statements.

Other Services

The auditor will prepare, type and print the Comprehensive Annual Report (CAFR). The auditor will submit a draft for review by the Treasurer. The Treasurer will return the draft with proposed revisions within 10 working days.

The proposals should also provide an hourly fee that the City can use if additional auditing services are needed, such as internal audits of operating departments.

Other special conditions are as follows:

Assistance to management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting.

Description of the Governmental Entity and Its Accounting System

The City of Seat Pleasant is a municipality in Maryland with a population of approximately 5,000. The governing body consists of a Mayor and 7 councilmembers. The City provides the following services to its citizens; police protection; street maintenance; contracted trash, refuse and recycle pickup; planning and code enforcement; and parks and recreation.

Funds

The City of Seat Pleasant maintains the following funds:

Government Funds:

General Fund

Budget revenues, excluding project amounts are estimated at \$3.9 million in Fiscal Year 2011/2012. In addition, outstanding debt totaled \$ 470 thousand dollars at June 30, 2011.

Budgets

The City budgets all funds on the modified accrual basis of accounting as required by Maryland law. Appropriation is made at the general classification prescribed by the State of Maryland.

Accounting Records

The City maintains all its accounting records at the finance office located at 6301 Addison Road, Seat Pleasant, Maryland, 20743. The City maintains its cash receipts journal, cash disbursements journal, and general ledger on Peachtree Software.

Assistance Available to Auditor

The City will make available to the auditor sufficient help to pull and re-file records, and pre and mail all necessary confirmations. A trail balance will be made available on Friday August 31, 2012. The following accounting procedures will be completed and documents prepared by the City's staff no later than Friday August 31, 2012.

The books of account will be fully balanced
All subsidiary ledgers will be reconciled to control accounts
All bank reconciliations for each month will be completed.

The City's personnel will prepare the following items:

General

1. General Ledger transaction detail report for each account.
2. A copy of the original budget, all amendments and the final budget as of June 30, 2012.
3. A copy of all ordinances and all amendments for active projects during the audit period.
4. A copy of the operating and capital lease schedules itemizing contracts in force during the audit period as well as access to the lease files maintained by the City.
5. A copy of board policies, including travel and investment policies.
6. Schedule of insurance coverage.

Cash and Investments

1. All bank reconciliations for each month.
2. List of outstanding checks by account, showing check number, date and amount
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year-end,

Receivables

1. Listing all outstanding Funds receivable by account as of the fiscal year end.
2. Listing all outstanding Funds receivable in details as of the fiscal year end.
3. Schedule of miscellaneous receivables booked as of the fiscal year end.

Capital Assets

1. Printout of all capital asset acquisitions made during the audit year.
2. Printout of all capital asset dispositions made during the audit year.

Current Liabilities

1. Schedule of accounts payable
2. Schedule of accrued payroll

Long Term Debt

1. Computation of vested vacation payable as of the audit date.
2. Outstanding Debt Schedules as of the audit date.

Grants

The following will be compiled for each grant.

1. Grant agreement
2. Budget
3. Correspondence with grantor agency, including monitoring reports.

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- **End of RFP** -